



**USAID**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA

## **QUARTERLY TECHNICAL PERFORMANCE REPORT NO. 1**

Period covering January 24, 2005 – March 31, 2005  
(2<sup>nd</sup> Quarter of FY 2005)

Central American and Mexico (CAM)  
Anti-Corruption, Transparency and Accountability Program  
Task Order Number DFD-I-03-03-00139-00

Submitted to:

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Multi-Country CTO

Submitted by:

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## **I. Multi-Country General Information**

This quarterly report covering the period January 24 through March 31, 2005 is being presented by Casals & Associates, Inc. (C&A) in compliance with both Contract DFD-I-00-03-00139-00 and Task Order No. DFD-I-03-03-00139-00, Central American and Mexico (CAM) Anti-corruption, Transparency and Accountability Program.

## **II. Start-Up Implementation Activities**

The Task Order, which covers the period of January 24, 2005 through March 29, 2009 was effectively signed on January 24, 2005 marking the obligation of funds for Guatemala. Funding for Nicaragua was obligated on January 28, 2005 and for Panama on March 1, 2005. Technical and administrative actions were quickly undertaken by both C&A headquarters and field personnel.

### **i. CAM Meeting in Guatemala**

On January, 31, 2005, the C&A CAM team comprised of Dr. Sergio Díaz-Briquets, Joseph Balcer, Ravindral Suaris, and Cara Zalcborg participated in a conference call with the CAM Multi-Country CTO, Ms. Sharon VanPelt, and other USAID personnel to discuss initial plans for implementation and to schedule a two-day introduction meeting designed to include the participation of all C&A CAM Program Directors and USAID staff to officially launch the project. This meeting was scheduled to take place in Guatemala City on February 10 and 11, 2005.

As agreed with USAID, the C&A CAM team traveled to Guatemala City to meet with USAID and present the planned technical and administrative approach to project implementation.

### **ii. Meeting Logistics**

The meeting was held at the Westin Camino Real Hotel in Guatemala City, Guatemala. The agenda included Status of Initial Start-Up Activities, Staffing, Field Mobilization, Review of TO/SOW, Structure of Work Plan(s) and M&E Plan(s), Administrative and Budgetary matters, and Group and Individual Meetings with USAID Officials.

#### Representatives from USAID:

Sharon Vanpelt, CAM Multi-Country CTO  
Braden Enroth, Regional Contracting Officer  
Telma Paz, Contracting Specialist  
Carla Aguilar, Guatemala CTO  
Sepideh Keyvanshad, El Salvador, D&G Officer  
Mauricio Herrera, El Salvador CTO  
Maria Nichte Leal, ODI Guatemala

#### Representatives from C&A:

Sergio Díaz-Briquets, Sr. Vice President  
Sally Taylor, Program Director, Nicaragua  
Eduardo Flores, Program Director, Panama  
Carlos Guerrero, Program Director, El Salvador

Cara Zalcborg, CAM Program Manager  
Vivian Mack, Sr. Technical Expert, Guatemala  
Steven Liapis, Sr. Consultant

### **iii. C&A's Presentation**

On behalf of C&A, Dr. Díaz-Briquets introduced the technical approach to start-up activities, mainly highlighting the staffing configurations in each country and at C&A Headquarters and discussing the plan for mobilization. At this time, only funding for Guatemala and Nicaragua had been obligated, but paths for future mobilization in Panama and El Salvador was also discussed.

### **iv. Review of TO/SOW**

The participants reviewed the TO/SOW through a handout that C&A prepared listing all Sub-IRs and LLRs, with principal focus on the methodology to be used for monitoring and implementing the activities. Question and Answers were raised to clarify issues regarding the coordination and timetables of report submission. The RCO was present to answer all questions and provided guidelines for administrative and financial matters.

### **v. Intranet**

C&A shared a sample of the CAM Intranet being designed for the use of sharing resources among all CAM participating countries. Several ideas were shared including having a calendar of consultant travel, project documents and country-specific organizational charts and share of success stories and best practices at each country. C&A will continue to develop this concept and as the project gets underway, C&A will discuss with the Multi-Country CTO how this resource will be utilized.

### **vi. Development of Initial Outline of Work Plan**

Dr. Díaz-Briquets presented the status of the work plan for Guatemala, shared its templates with USAID and reviewed the proposed work plan format in both chart and narrative form. The discussion of due dates for each country's work plan was also discussed and Mr. Enroth provided guidance as to how to "interpret" the requirements of the contract. Due dates for the work plans would be arranged with each individual country CTO but to be set no later than 30 days from the time that the Program Director enters the country. In the case of Guatemala, the work plan would need to be presented within 30 days after contract signature.

Additionally, it was agreed that C&A Headquarters would be providing assistance to field offices for the start-up operations such as the development of work plans, and other deliverables. Administrative and Technical assistance would be assigned as needed.

## **III. Reporting**

There were no documents submitted to the DEC during this reporting period.

## **Guatemala**

### **I. Start-Up Activities and Progress**

#### **i. USAID Launching of CAM Program**

USAID/Guatemala (USAID/G) informed the C&A CAM/Guatemala Team (CAM/G) that the Mission had decided to hold a launching presentation of all the programs of the Office of Democratic Initiatives including CAM. The idea was for each USAID/G program to assist in the preparation of the event by preparing a graphic presentation (Power Point) describing the main objectives of its program and a narrative which would be the basis for a 5-minute speech made by each corresponding CTO.

The CAM/G staff participated in various implementers' meetings to discuss the format, context and materials to be presented during this event. The event was scheduled for April 11, 2005 and would be held at the Intercontinental Hotel in Guatemala City. CAM/G, with the help of C&A HQ, gathered information and materials relevant to the subject and drafted the presentation. In addition, CAM/G visited stakeholders working in the field of Transparency, Anti-corruption and Accountability in order to enhance the presentation.

#### **ii. Work Plan Status**

On February 24, CAM/G submitted the Year One work plan corresponding to the 2<sup>nd</sup> Quarter of FY2005 for Guatemala for the period of Jan 2005 through September 2005. It was understood that this dynamic document would be subject to several changes and updates. On March 10, Ms. Mack made an official presentation of the work plan to USAID and met with Health and Education CTOs to discuss crosscutting issues that may exist between the two programs. The work plan was still under revision by the Multi-Country and Guatemala CTOs as of March 31.

#### **iii. Visits and contacts with potential partners**

During this period, several potential partner organizations were visited by CAM/G to reassess the level of interest and to update and inform them about the new USAID program, at the same time learning of their plans and expectations in search of opportunities for cooperation. Among those contacted are; *Comisión Presidencial por la Transparencia*, *Grupo de Apoyo Mutuo (GAM)*, *Asociación Guatemalteca de Investigadores de Presupuesto (AGIP)*, *State University of New York (SUNY)*, *Comisión de Probidad del Congreso de la Republica*, *Acción Ciudadana*, *CIEN*, *Coordinadora SI Vamos por la Paz* and *Coalición por la Transparencia* and the former director of *Programa de Sociedad Civil*. In addition, Ms. Silke Pfeiffer, Transparency International's (TI) Regional Director of the Americas, visited C&A HQ to discuss potential collaboration between C&A's USAID-funded projects and local TI chapters throughout the CAM participating countries as well as throughout the region.

#### **iv. Staffing**

The recruitment process to fill all vacant positions was conducted.

Filled Positions are as follows:

Sr. Technical Expert: Vivian Mack

Technical Expert: Ruben Gonzalez Castillo

Driver: Renzo Gonzalez

CAM/G continues to recruit personnel for the positions of Finance/Office Manager and Administrative Assistant.

Upon receipt of approval from USAID, Mr. Carlos A. Guerrero was assigned the position of Interim COP. Mr. Guerrero relocated to the CAM/G office on March 20 and will remain in country until a new COP is approved. On March 8, C&A submitted a request for Patricio Maldonado to take over as permanent COP. A decision is still pending as of March 31.<sup>1</sup>

#### **v. Office Space, Furniture and Car**

USAID/G assigned office space to CAM/G at their premises, as well as all furniture, telephones, computers and a car. The office was fully operational just after CAM/G moved in except for the telephone lines and Internet service. C&A/G received a draft Memorandum of Understanding (MOU) to review, which outlined the details of obtaining legal custody of the transferred assets.

#### **vi. Internet Connectivity**

Arrangements toward acquiring a wireless internet service were made. CAM/G received various quotations and selection of service providers is currently under evaluation. USAID/GSO authorized the use of wireless services that would not interfere with the USAID Security System.

#### **vii. Stolen Computer**

A laptop computer brought from the U.S. for the project was stolen in the previous office rented by the Program prior to its moving to the USAID the premises. A police report was filed and HQ was notified of this unfortunate incident.

### **A. Remaining Matters for Next Quarter (April 1- June 30, 2005)**

#### **i. Technical Activities**

- Program support and participation in the Launching Ceremony on April 11, 2005.
- Work Plan review and approval.
- Task Order Modification.

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<sup>1</sup> As per Ms. Casals' letter to Mr. Enroth dated February 2, 2005, C&A's originally proposed COP, Mr. David Valenzuela was no longer available at signature of the CAM/Anti-Corruption Program.

- Support for the Presidential Commission for Transparency bi-weekly meetings.
- Short-term consultants for the Presidential Commission for Transparency for: Organization for the TI Conference in 2006; Strengthening the Presidential Commission; and Public Information Campaign about Public Administration Transparency.
- Sub-contract with *Centro de Investigaciones Económicas Nacionales (CIEN)* for producing the “Budget Transparency Index”.
- Evaluate *Acción Ciudadana* upcoming proposals.
- Support to three participants to the Access of Information Conference in Argentina to be held April 28 and 29, 2005 and the Anti-corruption Forum in Brazil from June 7 through June 10, 2005.

## **ii. Administrative Activities**

- Finalize recruitment process to fill remaining local positions.
- Obtain Internet service for the office.
- Purchase necessary furniture not included in the USAID MOU.
- Activate the Intranet site for CAM providing access to C&A and USAID CAM staff.
- Continue the discussion of the need to register or keep current status in Guatemala.

## Nicaragua

### A. Start-Up Activities and Progress

Upon mobilization to Nicaragua on February 21, the CAM/Nicaragua team (CAM/N) began exploring coordination opportunities within the Government of Nicaragua's (GON) Reform and Modernization Program (Fortaleciendo la Transparencia y Luchando Contra la Corrupcion). The CAM/N Work Plan was developed in contemplation of activities not covered by other donors or in support of their efforts in promoting the GON's Anti-Corruption initiative. Several opportunities allowed for CAM/N's participation in donor coordination meetings that will be of great value in the early months of implementation to ensure that CAM/N avoids duplication of efforts.

Sergio Díaz-Briquets, C&A's Senior Vice President, traveled with Ms. Taylor to Nicaragua for the initial presentation of the CAM/N team to the USAID Mission. They also had a chance to meet with representatives from the U.S. Embassy, and USAID representatives working under other Strategic Objectives (SO) including education, health and private enterprise in order to determine a cross-sector approach for the CAM.

Consultations were initiated with organizations working toward implementation of the IACC commitments and passage of an Access to Public Information law. Just prior to the CAM contract award, a bill was presented for consideration to the Nicaraguan National Assembly. This bill is being evaluated under other programs and CAM/N is seeking ways to assist supporters of its passage and in laying the groundwork for its implementation which will be a long and arduous process requiring a major public awareness effort, another opportunity for CAM/B involvement. Some of the organizations working on these issues and visited by the team are: *Fundación Violeta Barrios de Chamorro, Ética y Transparencia, Grupo FUNDEMOS, Hagamos Democracia and Centro para Programas de Comunicación.*

CAM/N conducted numerous meetings with private sector associations, discussing the law for Mediation and Arbitration and ways in which the CAM can facilitate a more public role for businesses in fighting corruption, including a closer association with civil society organizations. CAM/N also met with a representative of the U.S. Department of Commerce regarding its current program in Nicaragua.

CAM/N began a review and collection of public awareness materials related to anti-corruption to assess the effectiveness and use of media resources including local experts in this area. CAM/N also conducted meetings with the Facultad de Ciencias Jurídicas of the Universidad Centroamericana (UCA), which included a presentation by their team of current and planned programs in the area of anti-corruption. A visit was made to the Asociación de Municipios de Nicaragua

(AMUNICA) to obtain an update on municipal issues and implementation of the new Ley de Transferencias.

The major technical effort was making the consultations necessary for preparation of the Work Plan and its proposed activities.

**i. Work Plan status**

According to the negotiated agreement for delivery of the preliminary Work Plan to be 30 days from the PD's arrival in country, the document was submitted to the Multi-Country CTO on March 22. CAM/N awaits USAID/N review and comments on the work plan.

**ii. Staffing**

The recruitment process to fill all vacant positions was conducted.

Filled Positions are as follows:

Technical Expert: Ulises Caldera

On March 24, C&A submitted an approval request to fill the position of Administrative Assistant with Ms. Daniela Urcuyo. CAM/N continues to recruit personnel for the positions of 2<sup>nd</sup> Technical Expert, Finance/Office Manager, Secretary, and Driver.

**iii. Office Space and Registration**

CAM/N continues to investigate the legal process for registering in Nicaragua, either under the umbrella of USAID or as a commercial entity. Current and past contractors were contacted to survey their experiences. Legal counsel was sought and this investigation continues without a clear result.

Within the first few days a temporary office was set up in a small hotel and continued in use at quarter's end. Efforts continue in search of a permanent office space.

**iv. Mobilization**

Dr. Díaz-Briquets and Ms. Taylor arrived in country on February 21. Mr. Guerrero and Ms. Zalcborg, technical and administrative representatives from C&A HQ, joined the CAM/N team for a period of two weeks and one week respectively, to assist in the development of the work plan, recruitment and hiring.

**B. Remaining Matters for Next Quarter (April 1- June 30, 2005)**

**i. Technical Activities**

- Once USAID/N and USAID/G comments are received on the work plan, a revised version will be presented for approval.



- The CAM/N team will continue updating donor program support data for the National Integrity System.
- Implementation activities will begin in earnest reflecting USAID/N's priorities.

**ii. Administrative Activities**

- Arrive at a solution regarding the registration of C&A in Nicaragua.
- Finalize recruitment process to fill remaining local positions.
- Office space will be identified and contracted.
- Program vehicle will be shipped from the U.S and office equipment and furniture purchased locally.

## Panama

### A. Start-Up Activities and Progress

The CAM/Panama Team (CAM/P) focused most of its efforts this quarter towards laying the groundwork to open an office in Panama and preparing the Work Plan for Year One. To conduct these tasks, Mr. Eduardo Flores, Panama's Program Director, made a preliminary trip to Panama from March 7 through March 19, 2005. Accompanying him in the earlier part of his visit were David Cohen, C&A's Vice President of International Programs and François Vezina, C&A Sr. Programs Manager.

Initially, the team conducted introductory sessions with USAID/Panama's acting Mission Director, the Democracy and Governance group and USAID administrative support personnel. It also held a working meeting with the head of the Narcotics Affairs Section (NAS) of the U.S. Embassy, who assisted CAM/P in identifying mutually supportive initiatives, such as the Culture of Lawfulness program.

Subsequent interviews took place with the Mission's Women in Development officer – to consult with her on the program's Gender Action Plan, and with staff from other USAID implementing partners including the Academy for Educational Development (AED), who provided advice on procedures to set up local offices in Panama as USAID contractors.

Additionally, the program met with USAID's **Regional Legal Advisor (RLA)** and **the Regional Contracting Officer (RCO)** to discuss the implementing approach on any future activities with the Anticorruption Units at the Attorney General's Office (*Fiscalías Anticorrupción*). By consulting first with the RLA, and as permissible by FAA Section 534(b)(3), CAM/P specified that its technical assistance and training will be limited to enhance their institutional capacity to conduct fraud investigations and to promote closer coordination with other Government of Panama (GOP) agencies.

#### i. Visits and contacts with potential partners

To prepare the Work Plan and pinpoint potential launching activities, the Program Director held interviews with GOP officials, members of the local NGO community and international donor organizations. These included the following:

- Executive Secretariat of the National Anticorruption Council – *Consejo Nacional de Transparencia contra la Corrupción*: (Cristóbal Arboleda, former Executive Secretary of the Council): As CAM/P's main GOP counterpart, the meeting served to introduce Cristóbal Arboleda to the program and to obtain information on the Council's immediate priorities. A week after our meeting with him, he offered his resignation as the

Council's Executive Secretary. While this could have represented a negative public opinion backlash, his replacement, Ms. Alma Montenegro, a former Solicitor General, is perceived to be better suited for the job. This prompted the program to prepare and present to USAID a strategy document to provide immediate support to the Council with the purpose of defining and strengthening its institutional structure.

- Spanish Cooperation Agency - *Agencia Española de Cooperación Internacional* (Paloma Morazo, program officer): To avoid the duplication of efforts and to promote closer collaboration among international counterparts, CAM/P discussed donor coordination mechanisms and current areas of interest with the Spanish Cooperation Agency. Given the lack of a structured plan of action, this entity did not anticipate working with the National Anticorruption Council in the short term. Instead, it will direct its support towards promoting judicial reform initiatives in conjunction with the Supreme Court and the Attorney General's Office. In the upcoming quarters, the program will explore the possibility of encouraging transparency practices within the judicial branch in cooperation with the Spanish Cooperation Agency.
- *United Nations Development Programm* (Isabel St. Malo Alvarado, Martha Alvarado and Alejandro Alvarez, program representatives). As with the Spanish Cooperation Agency, the program discussed potential donor coordination mechanisms and current areas of interest for the UNDP in Panama. Among other action items, these include supporting the design of a national anticorruption strategy, promoting local government transparency through the development of performance indicators, advocating the ratification of the United Nations Convention against Corruption and judicial reforms. All of them, but particularly the first three activities, are closely related to CAM/P's strategic objectives and CAM/P will pursue coordinating efforts with the UNDP in their implementation.
- Solicitor General's Office - *Procuraduría de la Administración* (Oscar Ceville, Solicitor General). Along with USAID staff, the Program Director met on March 17 with the Solicitor General, who presented them with an overview of the three main areas under his responsibility: 1) Decentralization processes, 2) Simplification of government transactions and 3) Public awareness campaigns against corruption. CAM/P offered to support the implementation of activities related to the two latter areas, directly or through the National Anticorruption Council (the Solicitor General is one of its ten members). An activity proposed by the program entails exposing the Solicitor General to international best practices on government innovation at an event to take place in Mexico City in November 2005.

- Accountability and Human Rights Unit at the Attorney General's Office - *Procuraduría General de la Nación - Secretaría de Responsabilidad Institucional y Derechos Humanos* (Rafael Pérez Jaramillo, Director). The Attorney General's Office, through its Accountability and Human Rights Unit, presented a proposal to fund a public perception study of corruption at the *Ministerio Público*.
- *Alianza Ciudadana pro Justicia* (Magaly Castillo, representative): The PD met with *Alianza Ciudadana pro Justicia* to become acquainted with its initiatives on judicial reform and to begin analyzing how they would link to strategic objectives across sub-intermediate results.
- *Fundación para el Desarrollo de la Libertad Ciudadana* (Angélica Maytín – Transparency International's local affiliate). Following an initial interview, the local chapter of Transparency International submitted two unsolicited proposals requesting our financial support in their implementation. The first of such proposals seeks to measure the costs of corruption at the macroeconomic level in Panama with the intention of widely diffusing its results. The second proposal entails monitoring compliance by President Torrijos of his 16-point anti-corruption campaign platform. CAM/P will consider supporting these activities upon approval of the Work Plan, specifically as they relate to strategic objectives under Sub-IR 2.3 (More opportunities for citizen participation in and oversight of national government decision-making).

## ii. Work Plan Status

According to the negotiated agreement for delivery of the preliminary Work Plan to be 30 days from the PD's arrival in-country, the document is in the process of being prepared and will be submitted to USAID/P on or before April 6, 2005.

## iii. Staffing

The recruitment process to fill all vacant positions was conducted.

Filled Positions are as follows:

Technical Expert: Maity Alvarez

Finance/Office Manager: Aldis Arjona

On **March 24**, C&A submitted an approval request to fill the position of Technical Expert with Mr. Rafael Reyes. CAM/P continues to recruit personnel for the positions of Secretary, and Driver.

## iii. Mobilization

Mr. Cohen traveled with Mr. Flores Panama for the initial presentation of the CAMPN team to the USAID Mission. Mr. Vezina, technical representative

from C&A HQ, joined the CAM/P team to assist in the development of the work plan. Mr. Flores will formally relocate to Panama on April 4.

#### **iv. Office Space**

The program looked at more than 12 office space options located in the vicinity of CAM/P's main counterpart, the National Anticorruption Council. During the program director's initial visit, the program found an office space, which in contrast to most office-rentals in Panama will only require marginal expenses to make it ready for occupancy

CAM/P has opened a bank account and signed all of the necessary paperwork to contract utilities. This will significantly expedite the process of moving into the new office.

### **B. Remaining Matters for Next Quarter (April 1- June 30, 2005)**

#### **i. Technical Activities**

***Planned activities under Sub-IR 2.1: More Transparent Systems for Management of Public Resources by the National Government (LLR 2.1.1: National anti-corruption/transparency strategy completed and implemented).***

- Advise the Executive Secretariat of the National Anticorruption Council in the design of a strategic plan aimed at defining the nature and scope of its functions. The program will support the Executive Secretariat in designing and presenting the main features of the plan before the Council, composed of cabinet ministries and civil society representatives, at its monthly session on April 15, 2005. As a following step, the program expects to cooperate with the Secretariat in conducting one-on-one interviews and a one-day workshop with all of the members of the council. These efforts will seek to unify public policy criteria, allocate responsibilities, and maintain the political will to fight corruption.
- Furthering individual contacts with members of the National Anticorruption Council (e.g. Ombudsman's Office and Comptroller General's Office).
- Funding the participation of the National Anticorruption Council's Executive Secretary and an NGO representative at the event "Women against Corruption", to take place in Ecuador in June 2005. To take full advantage of this seminar, the program will arrange meetings for the Executive Secretary and the NGO representative with local counterparts. It will also ask for their commitment to replicate learnt experiences in Panama.
- Support the preparation and presentation of the National Anticorruption Council's plan of action before international donor organizations.

- Support the participation of government officials in distance learning courses offered by the Open and Participatory Government program organized by the World Bank Institute and the Tecnológico de Monterrey.
- Following up on the potential participation of GOP officials at a regional event on government innovation to be held in Mexico in November.

***Planned activities under Sub-IR 2.1: Sub-IR 2.3: More opportunities for citizen participation in and oversight of national government decision-making. (LLR 2.3.1: Strong civil society participation and oversight of national government decision-making).***

- Work with *Alianza Ciudadana pro Justicia*, a network of Civil Society Organizations that promote justice sector reforms, in exploring areas of potential collaboration. USAID/Panama expects to define a joint project with *Alianza Ciudadana pro Justicia* to promote transparency in the judiciary early next quarter.
- Assess and present comments on the two proposals submitted by the Panamanian affiliate of Transparency International.

**ii. Administrative Activities**

- Finalize recruitment process to fill remaining local positions.
- Program vehicle will be shipped and office equipment and furniture purchased.